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July 20, 2009

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VIA E-Mail

Honorable Alan S. Trust
United States Bankruptcy Court,
Eastern District of New York
Long Island Federal Courthouse
290 Federal Plaza
Central Islip, New York 11722

RE: Champion Motor Group, Inc.
Chapter 11 Case No. 09-71979 (AST)

Dear Judge Trust:

We are writing in connection with our request as Debtor's counsel for a telephone conference call tomorrow regarding the Debtor's pending motion to obtain authorization for debtor in possession financing. The hearing is currently scheduled to commence on July 23, 2009 at 9:30 a.m. Due to events which occurred subsequent to the July 15, 2009 hearing in this matter, we believe that a revision in the proposed schedule is appropriate. Pending tomorrow's conference with the Court, all parties have agreed, in writing, to extend the July 20, 2009 5:00 p.m. deadline for the submission of affidavits containing direct testimony, exhibit binders and the prehearing memorandum for 24 hours to July 21, 2009 at 5:00 p.m.

After the July 15, 2009 hearing, the Debtor's proposed new lender, Champion Rescue LLC ("Rescue") and the Debtor's current lender, Manufacturers and Traders Trust Company ("M&T") have advised the Debtor that they have reached an agreement in principle for Rescue to acquire M&T's rights under its loan documents, claims and security interests in this case. That agreement is in the process of being documented. The Debtor anticipates that, if the agreement is concluded, the Debtor will enter into a consensual cash collateral agreement with Rescue and there will not be a need for a new DIP loan. Further, the closing of the agreement between Rescue and M&T is contingent upon the dismissal, with prejudice, of the Debtor's adversary proceeding against M&T which seeks the recovery of alleged preferential transfers and other relief.

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The purpose of the conference call, in addition to the foregoing being confirmed to the Court by Rescue and M&T, is to establish dates and deadlines to (i) briefly adjourn the final DIP hearing to allow the agreement between M&T and Rescue to be finalized, thereby preserving a hearing date in the event the agreement is not completed, (ii) establish new deadlines in connection the adjourned hearing date and (iii) to determine available dates for the expedited presentation of a stipulation voluntarily dismissing the pending adversary proceeding under Bankruptcy Rule 7041.

In view of the Debtor's need for continued financing (or use of cash collateral) during the case, the Debtor is only seeking a brief adjournment of its pending motion, subject to the Court's calendar, so that the foregoing issues can be promptly resolved.

Respectfully submitted

/s/ Fred B. Ringel

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